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Statin & Proton Pump Inhibitor Contracts Awarded

Highlights of the DoD Pharmacy & Therapeutics Committee Meeting… see Page 5

In This Issue

The Department of Defense Pharmacoeconomic Center, in cooperation with Defense Supply Center Philadelphia, announces the award of two mandatory source contracts:

HMG-CoA reductase inhibitors (Statins) — to Bayer Pharmaceuticals for cerivastatin (Baycol) and Merck & Co for simvastatin (Zocor)

Proton Pump Inhibitors (PPIs) — to Astra Pharmaceuticals for omeprazole (Prilosec).

These contracts close the statin and proton pump inhibitor classes on the Basic Core Formulary (BCF).

Estimated Annual Cost Avoidance to DoD

Statins: $22.4 – 25.8 million

Proton Pump Inhibitors: $11.6 million

General Guidance

- The contract for cerivastatin and simvastatin officially closes the statin drug class on the BCF. The contract for omeprazole officially closes the proton pump inhibitor drug class on the BCF.
- Cerivastatin, simvastatin, and omeprazole must be on all MTF formularies.
- Non-contracted statins (atorvastatin, pravastatin, fluvastatin, lovastatin) and non-contracted PPIs (lansoprazole, rabeprazole) are not allowed on any MTF formulary. Any new statins or proton pump inhibitors approved by the FDA during the contract periods are not allowed on any MTF formulary.
- Patients who are currently taking a non-contracted statin should be converted to cerivastatin or simvastatin, and patients who are currently taking a non-contracted PPI should be converted to omeprazole, no later than 1 April 00.

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Statin and Proton Pump Inhibitor Contracts *continued from Page 1*

General Guidance Continued

- Pharmacy department heads/service chiefs should expedite the conversion process without causing undue inconvenience to either beneficiaries or providers. Each MTF should select a method and rate of conversion that is best suited for their situation.
- Non-contracted agents should be provided to individual patients in instances of medical necessity. The local MTF non-formulary or special order process should be used to supply non-contracted agents in instances of medical necessity. (Please see the special guidance sections below for a list of circumstances in which a non-contracted statin or a non-contracted PPI may be medically necessary.)
- The contract for cerivastatin and simvastatin and the contract for omeprazole, officially close the statin and proton pump inhibitor drug classes on the National Mail Order Program (NMOP) formulary. Cerivastatin, simvastatin, and omeprazole will be designated as "contracted drugs" and will be the only statins/PPIs with this designation on the NMOP Formulary.
- MTFs should not refer patients with prescriptions for non-contracted statins or PPIs to the NMOP. The NMOP will require that medical necessity be substantiated before prescriptions for non-contracted agents in closed classes are filled.
- The NMOP will process refill prescriptions for non-contracted statins or PPIs through 1 April 2000. After that date, refill prescriptions for non-contracted statins or PPIs will be returned to the patient. A letter to this effect will be included with each refill prescription for a non-contracted statin or PPI.

Special Guidance: PPIs

Medical necessity for a non-contracted PPI exists when omeprazole will not meet the clinical needs of the patient. Examples (not an all-inclusive list) of medical necessity include:

- Documented failure to omeprazole at an adequate dose and treatment period for the disease state being treated
- Documented allergy to omeprazole
- Documented difficulty in swallowing capsules [lansoprazole capsules can be opened and the intact granules sprinkled on applesauce and swallowed immediately; rabeprazole (Aciphex; Eisai/Janssen) will be available as an enteric-coated tablet.]
- Pregnant patients with GERD who require treatment with a PPI (lansoprazole is assigned a pregnancy risk category of B and omeprazole is assigned a pregnancy risk category of C). Please note, however, that before considering a PPI, these patients should first attempt dietary management (smaller, more frequent meals), antacids (magnesium and/or aluminum hydroxides) and histamine H2 antagonists as needed for symptom control.
- Omeprazole may increase plasma levels of warfarin, phenytoin or diazepam. Lansoprazole does not appear to interact with these agents. While these drug interactions are unlikely to have clinical significance, dosing adjustments may be necessary for patients started on omeprazole. On a case by case basis, the use of lansoprazole may be justified for a small number of these patients.

Special Guidance: Statins

A medical necessity for a non-contracted statin exists when neither cerivastatin nor simvastatin will meet the clinical needs of the patient. Examples (not an all-inclusive list) of medical necessity include:

- Documented allergy to the contracted statins.
- Insufficient reduction of LDL-C at the maximum approved dose of simvastatin (80 mg).
- Official policies that prohibit the use of the contracted statins for certain patients (e.g. only pravastatin and lovastatin are currently approved for use by active duty pilots).

Statin and Proton Pump Inhibitor Contracts *continued from Page 2*

Statin Contract Terms & Prices

Contract Terms: The base period of the statin contract is 18 months with an option to extend the term of the contract for two additional one-year periods. Although contract prices will technically not be available until 1 Oct 99, manufacturers have decreased their DAPA prices to match the contract prices as of 1 Sept 99.

		Statin Contract Prices				
Drug	**Strength**	**Current DAPA Price (as of 8/99)**	**Base Period (18 months)**	**First Option Year**	**Second Option Year**	**Average Contract Price**
Cerivastatin	0.2, 0.3 mg	$0.56	$0.30	$0.31	$0.32	$0.31
	0.4 mg	***	$0.30	$0.31	$0.32	$0.31
Simvastatin	5 mg	$1.02 – $1.03	$0.45	$0.41	$0.38	$0.41
	10 mg	$1.02 – $1.03	$0.66	$0.66	$0.53	$0.62
	20, 40, 80 mg	$1.72	$1.07	$1.00	$0.89	$0.99

Omeprazole Contract Terms & Prices

Contract Terms: The effective date of the contract is 1 October 1999. The base period of the contract is one year with an option to extend the term of the contract for two additional one-year periods.

Prices: $1.40 per capsule for all strengths, all package sizes, with the exception of 100-count bottles of omeprazole 10 mg. As a result of federal acquisition regulations, this package size of omeprazole 10 mg remains at its previous DAPA price of $0.76.

PEC Points of Contact

Statin Contract

LCDR Mark A. Richerson, MSC, USN
(210) 295-9045, DSN 421-9045
E-mail: Mark.Richerson@amedd.army.mil

MAJ Don DeGroff, MS, USA
(210) 295-9635, DSN 421-9635
E-mail: Donald.Degroff@amedd.army.mil

COL Dan Remund, MS, USA
(210) 295-9493 DSN 421-9493
E-mail: Daniel.Remund@amedd.army.mil

PPI Contract

CDR Mark E. Brouker MSC, USN
(210) 295-9642, DSN 421-9642
E-mail: Mark.Brouker@amedd.army.mil

MAJ Don Degroff MS, USA
(210) 295-9635, DSN 421-9635
E-mail: Donald.Degroff@amedd.army.mil

Mr. Mel Miller
(210) 295-9634, DSN 421-9634
E-mail: Mel.Miller@amedd.army.mil

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Anticipated Cost Avoidance to DoD with the Statin Contract

	Projected Annual Statin Expenditures	Annual Cost Avoidance	Percentage Annual Cost Avoidance
Without contract	$68,620,000	N/A	N/A
Under contract:			
Base period*	$46,216,300	$22,403,700	32.6%
1st option year	$44,982,600	$23,637,400	34.4%
2nd option year	$42,785,300	$25,854,700	37.6%
Contract total		$71,875,800	34.9%

* The base period is 18 months. The first 6 months are considered a "transition" period to allow for conversion of patients to the contracted statins. This 6-month transition period is not included in the cost avoidance estimate.

- Cost avoidance is calculated as the difference between statin expenditures that would have occurred without the contract and statin expenditures expected to occur under the contract.
- If the statin contract did not exist, DoD would purchase an estimated 73 million doses of various statins at an average cost of $0.94 per dose for an annual expenditure of $68,620,000.
- Projected expenditures under the contract depend on how the 73 million statin doses are distributed across the contracted and non-contracted drugs. The calculated cost avoidance is based on maximal conversion of patients to the contracted statins, resulting in the following distribution of statin usage:
  - atorvastatin 40 mg: 5%
  - simvastatin 20 mg, 40 mg, and 80 mg: 33%
  - cerivastatin 0.2 mg, 0.3 mg, and 0.4 mg: 62%

DAPA Incentive Agreements / Voluntary Price Reductions

Warfarin sodium (Coumadin; Dupont)

As a result of an agreement established by Defense Supply Center Philadelphia (DSCP), voluntary price reductions of approximately 15% on all strengths of the Dupont brand of warfarin sodium (Coumadin) will be in effect as of 1 Oct 99.

Levofloxacin (Levaquin; Ortho-McNeil)

DSCP recently approved a DAPA Incentive Agreement with Ortho-McNeil Pharmaceutical, Inc. for levofloxacin (Levaquin). The agreement provides for pricing for levofloxacin 250– and 500-mg tablets of $2.00 per tablet if dollar purchases of levofloxacin represent a 60% or more market share of total fluoroquinolone usage at an individual facility. Market share will be determined by Ortho-McNeil on a quarterly basis using data provided by IMS, an independent healthcare information company. The effective date of the agreement is 31 Aug 99.

The current DAPA price for levofloxacin 250– and 500-mg tablets is $2.50.

Highlights

Minutes of the DoD P&T Committee Meeting

August 13, 1999

Complete minutes of the meeting are available on the PEC website at www.pec.ha.osd.mil

Drugs and Drug Classes

- **Cilostazol (Pletal; Pharmacia & Upjohn) –** added to the NMOP Formulary as a non-preferred agent
- **Follitropin alfa (Gonal-F; Serono) and follitropin beta (Follistim; Organon)** – added to the NMOP Covered Injectables List
- **Oral Corticosteroid Inhalers –** no changes made to the BCF
- **Nasal Corticosteroid Inhalers –** fluticasone nasal spray (Flonase) added to the BCF
- **Niacin –** Based on a TMA legal opinion, OTC forms of niacin will not be available through the NMOP. Prescription forms of niacin will remain available.
- **Rofecoxib (Vioxx; Merck) –** added to the NMOP Formulary under prior authorization
- **Rosiglitazone (Avandia; SmithKline Beecham) –** added to the NMOP Formulary
- **Selective Serotonin Reuptake Inhibitors –** decision tabled
- **Spironolactone** – added to the BCF
- **Warfarin sodium –** Instead of pursuing a sole source contract for warfarin sodium, the committee advised Defense Supply Center Philadelphia to accept a DAPA incentive agreement that reduces the price of the DuPont brand of warfarin sodium (Coumadin). The agreement will not change the BCF listing for warfarin. MTFs may select any brand of warfarin for their local formularies. *(Editor's Note: see Page 4 for an announcement of the DAPA incentive agreement.)*
- **Drugs for Weight Reduction –** discussed in light of the recent FDA approval of orlistat (Xenical; Roche), a non-systemic lipase inhibitor that reduces the absorption of dietary fat. The committee agreed that orlistat could not be added to the NMOP Formulary since drug therapy for weight reduction is not a covered benefit. A subcommittee was appointed to formulate a weight reduction policy statement for the committee to consider at the next meeting.
- **Zanamivir (Relenza; GlaxoWellcome)** – excluded from the NMOP Formulary. Zanamivir must be started within 2 days of the onset of flu symptoms.

Quantity Limits

The committee approved a list of quantity limits for the NMOP and retail network pharmacies. The list is subject to revision and further refinement. Specific matters of discussion for which reports are due to the committee include zolpidem (Ambien) prescriptions that exceed the maximum recommended daily dose; blood products/biotech products; topical agents; current antibiotic quantity limits; and injectable fertility agents. The quantity limit list is The list is available on the PEC website at *www.pec.ha.osd.mil/NMOP/qtylimit.htm*.

NMOP Issues

- **Prior Authorization Criteria** – Prior authorization procedures for celecoxib (Celebrex), etanercept (Enbrel), and sildenafil (Viagra) have been implemented. Rofecoxib (Vioxx) will be available under prior authorization pending implementation by the NMOP contractor. A subcommittee was appointed to quantify the value of the NMOP prior authorization program in terms of clinical, economic, and humanistic outcomes.
- **Provision of syringes, alcohol swabs, blood glucose test strips, and lancets through the NMOP –** A supply of alcohol swabs will be dispensed automatically with each prescription for insulin syringes. A supply of lancets will be dispensed automatically with each prescription for blood glucose test strips. No additional co-pay will be required. Syringes for covered non-insulin injectable medications

DoD P&T Committee Minutes *continued from Page 5*

may be obtained from the NMOP by submitting a separate prescription specifying type/size of syringes required along with the prescription for the injectable medication. A supply of alcohol swabs will be dispensed automatically. A co-pay will be required for the syringes/alcohol swabs in addition to the co-pay for the injectable medication.

- **Report on the restructuring of the NMOP Formulary –** As a result of the change from the previous NMOP Preferred Drug List to a targeted list of Non-Preferred Drugs and Preferred Alternatives, DoD annual cost avoidance is projected to increase from a baseline of $171,000 to $588,000 (assuming constant prescription volume). The committee approved addition of four new non-preferred drugs to the list. See sidebar for more information.

Other Topics Discussed

- Update on contracting (see Page 7)
- Additional funding that may be available for FY00 as part of the Advances in Medical Practice (AMP) initiative to support advances in medical practice
- Establishment of a mechanism by which MTFs could buy "starter packs" in bulk for a minimal fee in order to facilitate initial therapy
- Pending changes in the TRICARE/ CHAMPUS Policy Manual that will make quantity limits and prior authorization requirements consistent across the NMOP and the retail network.
- An interim report of the fertility drugs subcommittee is due at the next meeting.

The next meeting will be held on Thursday, 18 Nov 99 at the DoD Pharmacoeconomic Center, Fort Sam Houston, Texas, beginning at 0800 hours. Agenda items should be submitted to the DoD PEC no later than Friday, 15 Oct 99.

Restructuring of the NMOP Formulary: Early Results

- At the May 99 meeting, the DoD Pharmacy & Therapeutics Committee replaced the former NMOP Preferred Drug List (PDL) by an NMOP Formulary that includes all non-injectable prescription drugs not excluded from the formulary due to TRICARE policy or DoD P&T Committee decision, selected injectable drugs, and a limited number of over-the-counter drugs and products. Telephone calls being made by the NMOP contractors to request changes to PDL agents were discontinued and replaced by a calling program supporting a targeted list of Non-Preferred Drugs and Preferred Alternatives.
- During a 10-week period, each phone call requesting a change from a non-preferred agent to a preferred alternative resulted in a $30 cost avoidance, compared to an estimated $7 under the old NMOP PDL. DoD annual cost avoidance is projected to increase from a baseline of $171,000 to $588,000 as a result of the restructured formulary (assuming constant prescription volume). The percentage of prescriptions that generate calls to prescribers to request a therapy change has declined from 2% to 1.6%.

Changes to the Non-preferred/Preferred Alternatives List:

- Astemizole (Hismanal) was removed from the non-preferred/ preferred alternative list due to its withdrawal from the market.
- Cartia XT (Andrx's generic equivalent for Cardizem CD) was added to the non-preferred listing for diltiazem extended-release.
- Cilostazol (Pletal) was added to the list as a non-preferred agent, with pentoxifylline as the preferred alternative.
- Four new non-preferred drugs were added to the list. The new drugs are expected to result in a mean cost avoidance of $58 per telephone call and $397,000 in additional annual cost avoidance. Addition of these four drugs is expected to increase the percentage of prescriptions generating calls to prescribers to request therapy changes from 1.6% to approximately 1.9%.

Non-Preferred Drug	Preferred Alternative
famotidine (Pepcid)	ranitidine (Geneva brand generic*)
nizatidine (Axid)	ranitidine (Geneva brand generic*)
enalapril (Vasotec)	lisinopril (Zestril brand*)
nitroglycerin patches (Minitran, Transderm Nitro, Nitrodisc, and generics)	nitroglycerin patches (Nitro-Dur)

* the specific brands of these AB rated generic drugs are established by national contract awards

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Contracting Update

Note: summary includes both the contract summary presented at the P&T Committee Meeting and subsequent contract awards.

Diltiazem – Contract effective date 15 Dec 98. By the end of April 99, market share for Tiazac had exceeded 80%. Cumulative cost avoidance attributable to the contract through April 99 was over $1 million. Annual cost avoidance to DoD from this contract is estimated at $5.5 million dollars (see Figure 1 below).

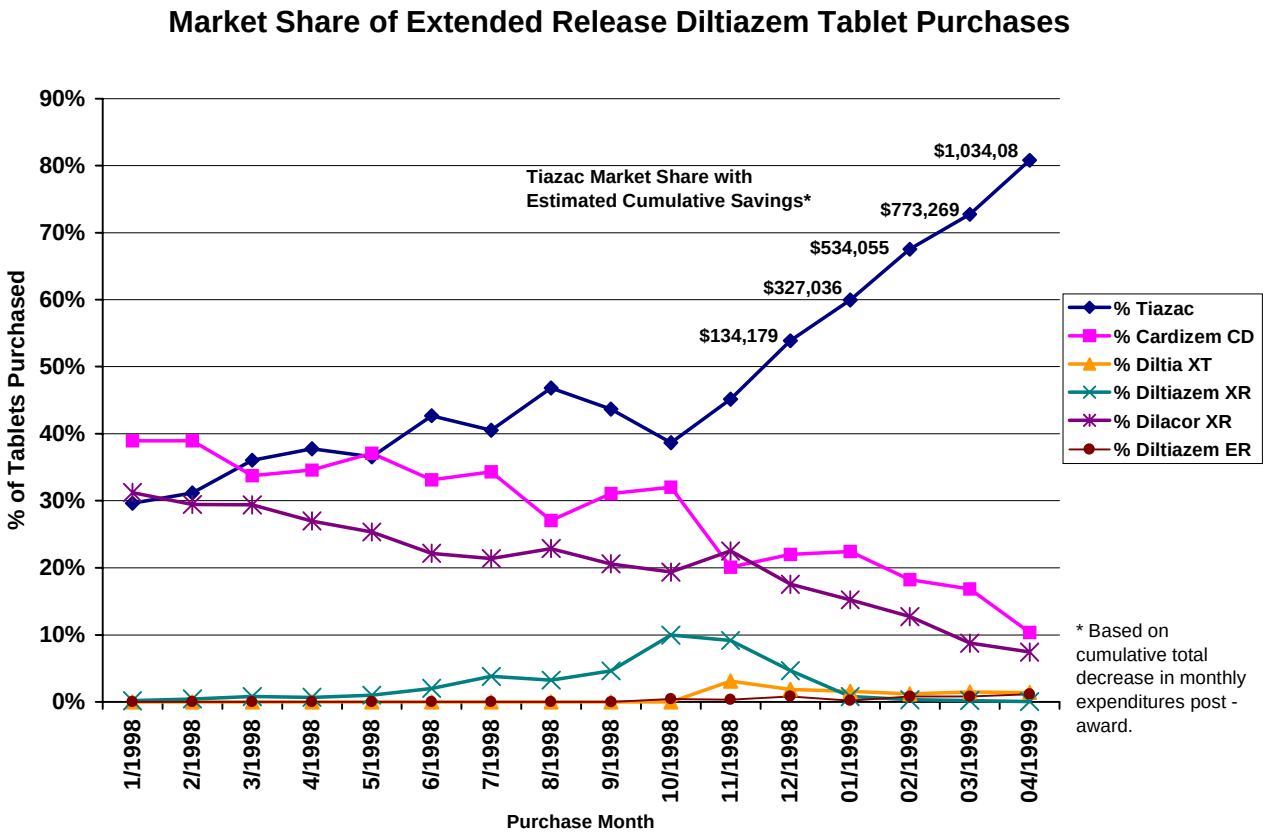
Insulin – DoD/VA contract solicitation for insulin issued 26 July 99. The solicitation closed 25 Aug 99; award anticipated end of September.

Lisinopril – The DoD contract awarded to Zeneca Pharmaceuticals for Zestril took effect 1 Aug 99. Projected annual cost avoidance to DoD is $7.5 million. *Special Note:* As a result of their earlier contracting action, the VA selected Prinivil for their National Formulary. Because the contracts were awarded at different times and because it was not possible to include DoD in the VA's contract, DoD and VA have different choices for lisinopril. It is important to note that the VA was able to secure a reduction in their per tablet price to match the DoD price after the DoD contract was announced.

Proton pump inhibitors – Contract effective date 1 Oct 99. See contract announcement on Page 1.

Statins – Contract awarded 20 Aug; see contract announcement on Page 1.

Figure 1: Diltiazem XR Market Share and Cumulative Savings due to the Tiazac Contract



Update on Clinical Practice Guidelines

Several of the DoD/VA Clinical Practice Guidelines are now complete and available on the MEDCOM Quality Management Office website at:

http://www.cs.amedd.army.mil/Qmo

Guidelines currently available on the site include: Low Back Pain, Tobacco Use Cessation, COPD, and Hypertension. Toolkit materials and related links will be added on an ongoing basis.

Guidelines completed but not yet on the website: Asthma, Diabetes

Guidelines still in development: Hyperlipidemia, Acute Myocardial Infarction, and Depression.

Future guideline endeavors include:

FY00: Redeployment Health, Substance Abuse, GERD, Clinical Preventative Measures (Metrics only)
FY01: Breast Cancer, Uncomplicated Pregnancy

Watch for a special issue of the *Update* focussing on Smoking Cessation!

Spironolactone for CHF

Results of the RALES trial (Randomized Aldactone Evaluation Study) were released by the New England Journal of Medicine prior to their scheduled publication in the 2 Sep 99 issue because of their potential clinical importance. The trial was discontinued early, after a mean follow-up period of 24 months, because an interim analysis demonstrated that the addition of spironolactone to standard therapy (including an ACE inhibitor if tolerated) substantially reduced morbidity and mortality among patients with severe congestive heart failure. The rate of serious hyperkalemia was 1% in the placebo group vs. 2% in the spironolactone group, p=0.42. (Exclusion criteria for the study included serum creatinine >2.5 mg/dL or serum potassium >5 mmol/L; long-term use of medications that interact with spironolactone or increase serum potassium was not allowed.) Gynecomastia or breast pain was reported by 10% of men in the spironolactone group vs. 1% in the placebo group (P<0.001).

Endpoint	Placebo (n=841)	Spirono-lactone (n=822)	Relative risk (95% CI)	NNT*
Deaths from all causes	386 (46%)	284 (35%)	0.70 (0.60 to 0.82)	9.1
Deaths from cardiac causes	314 (37%)	226 (27%)	0.69 (0.58-0.82)	10
Hospitalizations for cardiac causes (# patients/# events)	336 / 753	260 / 515	0.70 (0.59-0.82)	3.7

* number-needed-to-treat for 24 months, to prevent 1 event

Web Database for Drug Enforcement Administration (DEA) Registration Records

As of early September, 96 DoD sites had registered for access to this searchable web database containing physician DEA numbers and contact information.

Some notes about the DEA database...

- If you have difficulty locating a physician, try searching by last name only.
- A single password is issued to each facility. The contact person at each facility is responsible for supplying the password to other individuals who need access.
- DoD pharmacy activities that would like access to the database should contact SFC Tom Bolinger at the PEC by phone at DSN 421-9552 / (210) 295-9552 or by e-mail at Thomas.Bolinger@amedd.army.mil. Requests may also be faxed to the PEC at DSN 421-0323 / (210) 295-0323. Requests should contain requestor's name, facility, point-of-contact, phone number, mailing address, e-mail (if available), and branch of service.

Is your database ready for PDTS???

New Drug Watch

Recently approved by the FDA:

8/19/99 – rabeprazole (Aciphex; Eisai/Janssen) - antisecretory agent (proton pump inhibitor)

8/13/99 – zaleplon (Sonata; Wyeth-Ayerst) - insomnia

8/11/99 – temozolomide (Temodar; Schering) - refractory anaplastic astrocytoma

7/29/99 – ganirelix acetate injection (Antagon; Organon) - inhibition of premature LH surges in women undergoing controlled ovarian hyperstimulation

7/28/99 – levonorgestrel for emergency contraception (Plan B; Womens Capital Corp)

7/26/99 – zanamivir (Relenza; GlaxoWellcome) - uncomplicated influenza

7/15/99 – pioglitazone (Actos; Takeda) - diabetes

7/02/99 – ketotifen ophthalmic (Zaditor; Ciba) - allergic conjunctivitis

7/01/99 – ticlopidine (Apotex) – first generic